



This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.

SENATE BILL 663: Blue Ribbon Comm. Recs./Supportive MH Housing

2013-2014 General Assembly

Committee: Senate Appropriations/Base Budget
Introduced by: Sen. Hise
Analysis of: PCS to Second Edition
S663-CSMD-11

Date: June 11, 2013
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SUMMARY: *Senate Bill 663 establishes a tenant based rental assistance program to be known as the NC Supportive Housing Program to help transition persons with serious mental illness (SMI) and serious and persistent mental illness (SPMI) from institutional settings to more integrated community based living as appropriate for their needs and directs that certain funds appropriated to DHHS be used to implement the program. The bill also establishes a Community Living Housing Fund within the Housing Finance Agency to be used to provide permanent community based housing to individuals diagnosed with SMI and SPMI and to increase the number of targeted units available for individuals with disabilities and make them available to the Supportive Housing Program.*

The First Edition of S663 was a recommendation of the Housing Subcommittee of the Blue Ribbon Commission on Transitions to Community Living.

This PCS (i) adjusts Section 3 to direct that certain funds appropriated to DHHS for the 2013-2015 fiscal biennium be used to implement the NC Supportive Housing Program and clarifies that remaining funds be used to provide a comprehensive array of services individuals need in order to transition to and be maintained in the community; (ii) deletes former Section 5 in its entirety because the funds necessary to expand the North Carolina Assistive Technology Program were not included in the Senate budget; and (iii) corrects the effective date of Section 3 to July 1, 2013.

BILL ANALYSIS: **Section 1** adds a definition of "Local management entity/managed care organization to G.S. 122C-3.

Section 2.(a) adds Article 1B to Chapter 122 and creates the North Carolina Supportive Housing Program.

G.S. 122C-20.5 provides definitions for the new Article. "In reach activities" include education and information provided by DHHS and the LME/MCO's about the benefits and financial aspects of clinically appropriate community-based supported housing. The term includes facilitating and accompanying individuals to view supported housing units, assessing interest and exploring concerns about moving to supported housing, reviewing housing preferences and providing opportunities to meet with individuals who are living, working, and receiving services in integrated settings. It does not include information provided by adult care homes. Individuals with "serious mental illness (SMI)" are those who have been diagnosed with a mental illness or disorder that impairs or impedes functioning in one or more major areas of living and who are not likely to improve without treatment, supports, or services. It does not include persons with Alzheimer's disease or dementia. Individuals with "serious and persistent mental illness (SPMI)" are 18 or older, have a mental illness so severe and chronic that it prevents or erodes functional capacities in primary aspects of daily life, and who are receiving SSI or Social Security Disability Income due to mental illness.



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G.S. 122C-20.6 directs DHHS, in consultation with the NC Housing Finance Agency to establish and administer a tenant based rental program. The purpose of the program is to transition persons diagnosed with SMI or SPMI out of institutional settings to more integrated community based settings. The program shall provide for individuals to be placed in housing slots available through the program with all the rights and obligations of a landlord-tenant relationship.

G.S. 122C-20.7 authorizes DHHS to contract with a private vendor to serve as the housing subsidy administrator and to distribute rental vouchers and community living vouchers to program participants based on DHHS developed formulas.

G.S. 122C-20.8 directs the Division of Aging and Adult Services to adopt rules on the eligibility requirements for the program, including income eligibility and priority for individuals with SMI/SPMI who live in institutional settings.

G.S. 122C-20.9 provides DHHS with ongoing responsibility to develop and distribute a list of potentially eligible individuals for the program for each LME/MCO. The LME/MCO must prioritize the list and arrange for in person meetings with potentially eligible participants to determine their level or interest. The LME/MCO's must report back to DHHS on the LME/MCO's recommended list of program participants on a daily basis. Upon receipt of the report DHHS shall make the final determination on eligibility.

G.S. 122C-20.10 provides for DHHS to annually determine the number of housing slots to be allocated. Each year 50% of the slots available will be equally distributed among all LME/MCO's. Additional slots will be allocated based on local need as determined by information submitted by the LME/MCO's.

G.S. 122C-20.11 requires LME/MCO's to develop individual, written transition plans that include (1) available housing units that meet the individual's needs; (2) necessary transition services including a one-time stability payment up to \$2,000 for up front move in costs; (3) solutions to potential barriers to successful transition; and (4) other information DHHS deems necessary for successful transition.

G.S. 122C-20.12 directs LME/MCO's to provide individualized transition services to program participants for the first 90 days after the transition to a housing slot.

G.S. 122C-20.13 directs DHHS or the housing subsidy administrator to provide ongoing tenancy support services.

G.S. 122C-20.14 directs DHHS to develop an application process for landlords seeking to participate in the program. The process will include an inspection of the selected housing units and require that the landlord receive educational information about the program before being approved.

G.S. 122C-15 requires annual reports by DHHS to the General Assembly on the number of individuals in each catchment area who transitioned into housing slots through the program in the previous year including a breakdown of funds expended by the LME/MCO's to transition the individuals.

G.S. 122C-16 establishes that the program is not an entitlement. DHHS is not required to provide housing slots beyond the number that can be supported by appropriations by the General Assembly for that purpose.

Section 2.(b) requires each LME/MCO to transition at least 15 eligible individuals to community based housing slots by June 30, 2013.

Section 3 provides that funds appropriated to DHHS for the 2013-2015 fiscal biennium to develop and implement housing, support, and other services for people with mental illness pursuant to the Department of Justice Settlement Agreement shall be used as follows:

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- \$1,745,280 for FY 2013-2014 and \$3,120,037 for FY 2014-2015 to establish and operate the NC Supportive Housing Program.
- \$1,440,000 for FY 2013-2014 and \$1,540,000 for FY 2014-2015 for program administration.
- \$650,000 for FY 2013-2014 and \$1,216,000 for FY 2014-2015 to provide one-time transition stability funds (not to exceed \$2,000 per individual).
- Any remaining funds to provide a comprehensive array of services individuals need in order to transition to and be maintained in the community.

Section 4 establishes a Community Living Housing Fund within the Housing Finance Authority. The Fund will consist of unexpended and unencumbered money appropriated to the Transitions to Community Living Fund beginning in FY 2013-2014. The Fund shall be used, only on appropriation by the General Assembly, to (1) provide permanent community based housing for individuals with SMI or SPMI and (2) support an increase in the number of targeted units for individuals with disabilities located in housing projects funded by the Housing Finance Agency from 10% to 15%. The additional targeted units will be made available to DHHS for the Supportive Housing Program.

Section 5 sets a sunset date of June 30, 2020 for the Transitions to Community Living Fund established pursuant to S.L. 2012-142. Any balance remaining in that fund on that date shall revert to the General Fund.

EFFECTIVE DATE: Sections 3 becomes effective July 1, 2013. The remainder of the act is effective when it becomes law.

Barbara Riley, counsel to Senate Health Care, substantially contributed to this summary.